

VZCZCXRO3929
PP RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHPG #0118/01 0521649
ZNY CCCCC ZZH
P 211649Z FEB 08
FM AMEMBASSY PRAGUE
TO RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEFHLC/DEPT OF HOMELAND SECURITY WASHDC PRIORITY
RUEHC/SECSTATE WASHDC PRIORITY 0088
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000118

SIPDIS

SIPDIS

STATE FOR EUR/NCE
NSC FOR ADAM STERLING

E.O. 12958: DECL: 02/19/2018
TAGS: [PREL](#) [PGOV](#) [EZ](#) [OVIP](#)
SUBJECT: SCENESETTER FOR CZECH PM TOPOLANEK'S VISIT

Classified By: AMBASSADOR RICHARD GRABER FOR REASONS 1.4 (B) AND (D).

11. (C) SUMMARY: PM Topolanek's visit next week to Washington will be a key milestone for the Czech leader, who is a convinced and committed Atlanticist with a firm belief in strong ties with the United States. He is coming to Washington with the goal of demonstrating -- especially to his domestic audiences -- that under his leadership the Czech Republic is a respected and valued partner of the United States on a whole range of issues, including global security, economic and technological cooperation, and democracy promotion. Three themes will dominate PM Topolanek's Washington program: missile defense, U.S. visa policy, and Czech contributions to global democracy and the war on terror. His meeting with the President, the announcement of the BMD agreement and Strategic Dialogue, as well as the signing of the Visa Waiver Program MOU, will give PM Topolanek the necessary political boost before the upcoming parliamentary ratification vote on the missile defense agreements, which is expected to be among the most difficult political tests for PM Topolanek. END SUMMARY.

Domestic Context

12. (C) Eighteen years after the 1989 Velvet Revolution, the Czech Republic today is a prosperous market economy, a stable democracy, and a committed American ally. Accession to the European Union in 2004, like accession to NATO in 1999, has solidified and accelerated the transition away from the country's communist past. The economy today is one of Europe's fastest growing, with 6% GDP growth in the past three years. Exports and continued healthy inflows of foreign investment drive the economy. U.S.-Czech economic ties are strong and overall very positive. Prime Minister Mirek Topolanek hopes to give an additional boost to the bilateral commercial relationship by bringing a business delegation with him to Washington. Topolanek's center-right government is pursuing politically painful reforms in taxation, health care, and pensions in order to reduce the budget deficit and prepare the country for adoption of the euro, now forecast for 2013. Likewise the country needs to more aggressively confront the problem of corruption in the public sector.

13. (C) Topolanek arrives in Washington having just scored a key political victory by securing the reelection of Czech President Vaclav Klaus, the honorary chairman of Topolanek's Civic Democratic Party (ODS). For Topolanek, each such political success has been hard fought, given the evenly split lower house of parliament. To pass votes of confidence and most major bills through the parliament, Topolanek has

had to rely on the help of two defectors from the opposition.

The tenuous situation in the parliament, as well as his less than stable coalition with the smaller Christian Democrats and the Czech Greens, has led many to question the staying power of the Topolanek government. To date, however, Topolanek has shown great skill at managing the unsettled political scene and determination to press forward with his ambitious reform agenda. Nevertheless, the bruising presidential election has left the Topolanek coalition tense and the Czech political scene shaken, and this makes a successful Washington visit all the more important for Topolanek.

Czech-U.S. Relations

¶4. (C) Our two countries enjoy excellent relations. The Czechs are active in the war on terror, with troops in Iraq, Afghanistan, and the Balkans. This year, the Czechs established a new PRT in the Logar province of Afghanistan. The country is active within NATO and the EU, and generally supportive of U.S. policy goals. This is particularly the case regarding democracy promotion. The Czechs are our strongest partners in Europe on Cuba, and active supporters of the democratic opposition in Cuba. Likewise in Belarus, Burma, Iraq and other countries in transition, the Czech government and NGOs work to support peaceful transformation and pass along the lessons learned from the Czechs' own history. Prague has been home to the U.S.-funded Radio Free Europe/Radio Liberty since 1995, and has actively supported broadcasts to countries in Eastern Europe, Central Asia and the Middle East. It was no coincidence that Prague hosted the conference on "Democracy

PRAGUE 00000118 002 OF 003

and Security," which President Bush addressed in June 2007, the last time he met with Topolanek.

Missile Defense

¶5. (C) For Topolanek, missile defense (MD) is the primary focus of his trip to Washington. Even more than his predecessors, he is committed to a robust trans-Atlantic relationship. Topolanek has stated publicly that in addition to its membership in the EU and NATO, the Czech Republic must forge closer ties with the United States, including by partnering with the United States and Poland on the third MD site. Topolanek, who fully appreciates the importance of U.S. engagement in Europe, views MD as the natural next step in the U.S.-Czech relationship. Like many other Czech MD-supporters, he also views MD as critical in the context of Russia's assertive policies toward Central Europe. However, with up to 70 percent of Czech public opposing MD and his own coalition divided on the issue, Topolanek is taking a great political risk with his committed pro-MD stance. The parliamentary vote on the MD agreements will likely come in early summer and will require all of Topolanek's political skill and capital to succeed.

¶6. (C) A strong message of partnership from his White House meetings will help Topolanek, as will the announcement of the Strategic Dialogue and a reference to possible future cooperation in the area of technology, science, research and development. The latter is especially important to Topolanek, who has told us many times that he will be under significant pressure domestically to justify why Poland's MD package may appear more robust. In his view, potential commercial benefits and scientific cooperation involving Czech companies are the best answer to charges that the Czechs got a raw deal. Also important to Topolanek and many Czech politicians is the link between the MD system and NATO, which Topolanek hopes will be addressed during the Bucharest Summit. There is strong support for NATO across the Czech

political spectrum, with the exception of the Communists, and helping Topolanek couch MD in the context of the country's responsibilities as an ally would boost ratification chances.

The Czechs have also actively followed the MD debate in the U.S. Congress, and any MDA funding cuts are carefully scrutinized. Again, Topolanek's meetings on Capitol Hill should amplify the message of solid bipartisan support for MD.

Visa Waiver Program

17. (C) Topolanek fully appreciates the sea change that the recent 9/11 legislation represents in U.S. visa policies and is grateful for the President's personal commitment to this reform. While in Washington, the Czech delegation is preparing to sign a Memorandum of Understanding with DHS Secretary Chertoff that will pave the way for the Czech

SIPDIS

Republic to join the Visa Waiver Program by the end of 2008. To ensure that the EU would not stand in the way of the MOU, Topolanek sent his most seasoned diplomat, DPM Alexandr Vondra, to Brussels this week to battle it out with EU Commissioner Frattini. The Visa Waiver Program is so important to the Czechs that they were fully prepared to cross Brussels if no mutually agreeable solution could be found. Vondra succeeded and Topolanek is looking forward to the MOU signing as one of the highlights of his Washington visit. While not formally linked, the Czech public sees symbolism in advancing both MD and the Visa Waiver Program during this visit.

A Strong and Valued Partnership

18. (C) Despite its small size and at times unsettled political scene, the Czech Republic has consistently proven to be a reliable and active ally of the United States. The Czechs are naturally proud of their contributions to security, democracy and freedom around the globe, and they should be recognized for these efforts. With the Czech Republic preparing to assume the EU presidency in 2009, Topolanek sees his Washington visit as especially important and as the opening of a new chapter in Czech-U.S. relations. The key themes for the President's and other meetings with Topolanek should be: recognizing the Czech contributions and partnership in promoting global democracy, freedom and

PRAGUE 00000118 003 OF 003

security; expressing appreciation for Czech willingness to enhance common defense through participation in the MD shield; and welcoming progress on visa waiver.
Grabner